

EXHIBIT G
COVENANT AND AGREEMENT REGARDING LAKEWOOD BOULEVARD
LANDSCAPE IMPROVEMENTS

RECORDING REQUESTED BY
AND MAIL TO:

Boeing Realty Corporation
Douglas Park
P.O. Box 93005
Long Beach, California 90809-9854
Attention: _____

COVENANT AND AGREEMENT REGARDING LAKEWOOD BOULEVARD
LANDSCAPE IMPROVEMENTS

This Covenant and Agreement (the "Agreement") is made and entered into as of _____, 2004 by and between McDONNELL DOUGLAS CORPORATION, a Maryland corporation and a wholly owned subsidiary of the Boeing Company, a Delaware corporation ("Company"), and the CITY OF LONG BEACH, a charter city and municipal corporation of the State of California (the "City") (collectively, the "Parties").

RECITALS

WHEREAS, Company is the owner of approximately 238 acres located in City of Long Beach, County of Los Angeles, State of California, as more particularly described in the Legal Description, attached hereto as Exhibit "A" (the "Property").

WHEREAS, Company has been engaged for several years in the planning and entitlement stages of a major land use project within the City known as Douglas Park (the "Douglas Park Project").

WHEREAS, Company concurrently herewith is entering into a Development Agreement with the City for the Douglas Park Project.

WHEREAS, pursuant to that certain Covenant And Agreement dated February 18, 2003 between Boeing Realty Corporation and the City (the "Phase 1 Agreement"), Company has previously constructed, or caused to be constructed, and is currently maintaining certain landscaping and planting for that portion of Lakewood Boulevard generally between Spring Street and Conant Street as shown on Exhibit "B" attached hereto (the "Phase 1 Landscaping"), in lieu of street trees normally specified by the City.

WHEREAS, as part of the Development Agreement, Company has agreed to construct and maintain certain landscaping and planting for that portion of Lakewood Boulevard between Conant Street and Carson Street as shown on Exhibit "B" attached hereto (the "Phase 2 Landscaping"), in lieu of street trees normally specified by the City.

WHEREAS, the Phase 1 Landscaping and the Phase 2 Landscaping are hereinafter referred to together as the “Lakewood Boulevard Landscaping.”

WHEREAS, pursuant to this Agreement, upon completion of the Phase 2 Landscaping, Company shall maintain Phase 2 of the Lakewood Boulevard Landscaping as well as Phase 1 of the Lakewood Boulevard Landscaping.

WHEREAS, pursuant to the Phase 1 Agreement, City has reimbursed Boeing Realty Corporation (“BRC”) all amounts owed by City to BRC under the Phase 1 Agreement, including the Capital Cost Contribution required under Section B of the Phase 1 Agreement and City has no further reimbursement obligation to BRC thereunder.

AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises and covenants herein contained and other valuable consideration the receipt and adequacy of which the Parties hereby acknowledge, the Parties hereto agree as follows:

A. Agreement and Assurances on the Part of Company:

1. Installation

Company shall complete, to the reasonable satisfaction of the City, the installation of the Phase 2 Landscaping as set forth in detailed landscape improvement plans to be (i) prepared by Company consistent with the detailed landscape improvement plans prepared for the Phase 1 Landscaping and (ii) approved by the Director of the Department of Public Works of the City (the “Director”). Company shall notify the Director in writing within thirty (30) days of the completion of such installation. The Director shall have thirty (30) days thereafter to direct Company in writing to correct the installation work, if any, that has not been done in accord with this Agreement and the approved plans.

2. Maintenance

Following their installation, maintenance for the Lakewood Boulevard Landscaping shall be provided by Company or its successors and assigns with respect to the Property (which may include a property owners association) in accordance with the following guidelines. Except as expressly set forth below in “Parkways and Medians” (Paragraphs a, j, and k) below, all such maintenance shall be at the sole cost and expense of the Company or said successors and assigns:

Parkways and Medians

- a. The cost of all planting and irrigation installation, removal, maintenance and/or repair of landscaping and irrigation systems located in the parkway or median areas, will be at Company’s expense. Irrigation water and power to the irrigation controllers will be supplied by the City at the City’s expense.
- b. All weeds and debris within planting areas will be removed and hauled away as reasonably required by the City.

- c. All sprinklers and the irrigation lines will be maintained as reasonably required by the City.
- d. All dead plants will be removed and replaced as reasonably required by the City.
- e. All vegetation will be trimmed to clear the street and sidewalk at all times as reasonably required by the City.
- f. All vegetation will be trimmed and maintained at all times as reasonably required by the City.
- g. All vegetation will be watered and fertilized to assure its survival.
- h. Pests and diseases will be continuously controlled to provide a healthy environment for plants and the public.
- i. Planting areas will be maintained in a safe condition free of debris at all times.
- j. Sidewalks will be maintained free and clear of landscape debris at all times, however, overall sidewalk maintenance and repair will be the responsibility and liability of the City.
- k. Fencing along Lakewood Boulevard adjacent to the Skylinks Golf Course will be installed at Company's expense. Fencing will be maintained by the City.

Trees – General

- a. Trees will be watered regularly in sufficient quantity to maintain proper root moisture.
- b. Trees will be staked and tied properly at all times, until the tree's root systems are mature enough to support the tree.
- c. Trees will be checked regularly to prevent girdling of the tree trunk.
- d. Tree planting areas will be maintained at all times to coincide with the sidewalk grade with no vertical lip.
- e. Tree planting areas will be kept free of weeds and debris.
- f. Trees will be trimmed to reduce the tree's crown in an effort to increase the trunk and root system stability, and to contribute to public safety at all times as reasonably required by the City.
- g. If an emergency of any kind should occur, such as the tree uprooting, or a limb falling onto private property or into the street area, it shall be the responsibility of Company to eliminate all debris at no cost to the City after being notified by City.
- h. Trees will be trimmed in accordance with ISA standards, sprayed, removed and replaced as necessary to the reasonable satisfaction of the City.

Trees – Palms

- a. Palms will be watered regularly in sufficient quantity to maintain proper root moisture.

- b. Palms will be trimmed one time per year, sprayed, removed and replaced as necessary to the reasonable satisfaction of the City.

Company further agrees to:

a) Provide the City with a certificate of insurance evidencing a commercial general liability insurance policy in the amount of \$1,000,000 covering the activities to be performed under the above-described maintenance agreement and provide annual proof of same. The City shall be named as an additional insured on such policy. Such insurance policy shall provide that the City be notified by registered mail at least thirty (30) days before the effective date of any expiration, cancellation or reduction in coverage. Failure to maintain the herein required insurance or to faithfully perform any other requirement of this Agreement shall result in the City having the right, but not the obligation, to perform any such requirement on Company's behalf and to receive payment upon demand for the reasonable cost thereof from Company.

b) Indemnify and hold harmless the City, its officers, agents and employees, from and against all third-party cost, liability, loss, damage or expenditure of whatsoever kind and nature sustained or incurred by the City by reason of any failure by Company to faithfully perform the requirements of this Agreement (collectively, "Claims, Damages and Expenses"). Company hereby further agrees to assume, at its own expense, the defense of any action or actions to the extent based on any such failure by Company to so perform. Notwithstanding the foregoing, Company shall have no obligation to indemnify, hold harmless or defend City against any Claims, Damages and Expenses to the extent caused by or attributable to the City, or any person or entity acting on City's behalf, including without limitation City's employees, agents and contractors; provided, that the foregoing limitation shall not be construed to apply to Company or its successors or assigns, to the extent acting on City's behalf pursuant to the terms of this Agreement.

c) Waive any right to make or prosecute any claim or demand against the City, or any of its Boards, Departments, officers, employees, or agents for any damage that may occur to any of the street trees covered by this Agreement or property adjacent to said trees, or for any other loss, damage, cost or expense suffered by Company, caused in any manner by the City's actions in permitting Company to install and maintain the Lakewood Boulevard Landscaping.

B. Miscellaneous Provisions

1. This Agreement shall run with the Property and shall be binding upon any future owners and encumbrancers, their successors, heirs and assigns and shall continue in effect until the Parties approve its termination. Company's obligations, including indemnity and liability provisions, under this Agreement may be assigned to a corporation, partnership or other entity succeeding to Company's ownership in the Property, including, without limitation, to an association of owners of some or all of the lots into which the Property is now or hereafter subdivided, which association has the power, if necessary, to assess each owner for the costs of performing the obligations of Company under this Agreement. Upon any such assignment, Company shall have no further obligation under this Agreement with respect to any liabilities arising hereunder after the effective date of such assignment.

2. This Agreement supercedes in its entirety the Phase 1 Agreement which is hereby rescinded and has no further force or effect following the recordation of this Agreement.

IN WITNESS WHEREOF, the Parties have hereunto caused this Agreement to be executed and delivered, as of the date first appearing above, by their duly authorized officers.

CITY OF LONG BEACH, a charter city
and municipal corporation of the State of California

By: _____
City Manager

Date: _____

Approved as to Form,

_____, 2004
ROBERT SHANNON, City Attorney

Approved as to Form,

_____, 2004
Brown, Winfield & Canzoneri, Inc.,
Special Counsel

By: _____

By: _____

McDONNELL DOUGLAS CORPORATION, a
Maryland corporation

By: _____

Date: _____

By: _____

Date: _____